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No. 92-818

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1992

JEROME H. LEMELSON,

Petitioner,

v.

MATTEL, INC.,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

Petitioner's statement of the question presented fundamentally mischaracterizes the holding below. The Court of Appeals for the Federal Circuit did *not* improperly add a limitation to the patent claim contrary to its plain language based solely on the prosecution history of the patent.

Restated, the question presented is whether the Federal Circuit correctly reversed the judgment below because a reasonable jury could not interpret a highly ambiguous patent claim to cover respondent's product in light of the undisputed prosecution history indicating that the claim language distinguished a prior art structure which was identical to respondent's product in all material respects.

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PRELIMINARY STATEMENT

This case presents no issue worthy of review by this Court. The decision below does not conflict with the decision of any other court, involves no constitutional question, and presents no important question of federal law. The case is merely an instance of an appellate court reviewing a jury verdict in a technical field of law, in which the court found that the jury

had reached a verdict unsupported by the evidence and contrary to settled principles of law.[1]

The petition is especially meritless because it is based on a false premise. Petitioner Lemelson states repeatedly, as if it were an established fact, that the language of claim 3 of his patent is clear and unambiguous. Nothing could be further from the truth. Indeed, this patent claim prompted the district court to remark:

> To say that Claim 3 lacks great clarity is to be benevolent to the claim language. If viewed in isolation and without regard to the

---

[1] It bears emphasis that the Federal Circuit's reversal of the district court's decision does not mean that Mattel will have profited from another's invention. The district court found:

> [T]here was no evidence presented at trial (1) which suggested that Mattel derived its own ideas and concepts for the Hot Wheels toy from Lemelson; (2) that Mattel used Lemelson's ideas in the substantial and costly research and development effort it invested in the Hot Wheels product; or (3) that the track (whether the material from which it was to be made, its size, configuration, or, significantly, its degree of flexibility) was conceived or produced through any inspiration other than Mattel's own.
>
> Mr. Lemelson never made a track and never made a model showing the combination effect of a toy car (and a fast one at that) on a flexible track. In short, Mattel never borrowed, stole, or otherwise availed itself of any of Mr. Lemelson's ideas or teachings. The Hot Wheels toy product was entirely an independent creation of Mattel, and rightful credit for the collective genius which brought it to the homes of generations of our children belongs to it.

Pet. App. 29a.

> patent specifications and drawings, it is questionable whether one skilled in the art would understand precisely what the claimed invention was, be able to make a model of it or otherwise develop a product physically embodying its teachings.
>
> Terms such as "guide means, "plural parallel extending surfaces," "spaced apart runner portions" and "upwardly extending rails" are used, sometimes indiscriminately, sometimes synonymously and sometimes not synonymously.

Pet. App. 22a-23a. Although he purports to rest his case on the supposedly plain language of the claim, Lemelson's petition does not even quote that language, leaving it to the Court to find the words in the Federal Circuit's opinion included in the appendix. Pet. App. 4a. Thus, Lemelson hides from this Court the obvious ambiguities in the claim language while baldly asserting that the language is so clear on its face that it could be interpreted in only one way.

Then, proceeding from this false premise, Lemelson deliberately mischaracterizes the holding below. Contrary to the entire thrust of Lemelson's petition, the Federal Circuit did *not* invoke the prosecution history to add a limitation that was not otherwise present in the "plain language" of the claim itself. The Federal Circuit merely ruled that the claim language, which was anything but clear, could not reasonably be interpreted to cover Mattel's product. The Federal Circuit rested this ruling on established principles of claim interpretation that look to the patent's prosecution history and the prior art. Indeed, the Federal Circuit has repeatedly held that prosecution history

must be considered in interpreting claims in the first instance, not just to limit the scope of coverage under the doctrine of equivalents. Lemelson concedes this is so. It is only through mischaracterization of the Federal Circuit's opinion and the language of the claim that Lemelson can manufacture even a colorable conflict with prior decisions.

In short, properly framed in light of the actual decision below, this case presents no reviewable issue. The petition for certiorari should therefore be denied.

BACKGROUND

Petitioner Jerome H. Lemelson is an inventor who is better known to courts for his frequent—and typically unsuccessful—patent litigations.[2] Respondent Mattel, Inc. is the well-known toy manufacturer.

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[2] *See, e.g., Lemelson v. DeLuxe Reading Corp.*, 321 F. Supp. 1281 (S.D.N.Y.) (patent on toy gun held not infringed), *aff'd on other grounds sub nom., Lemelson v. Topper Corp.*, 450 F.2d 845 (2d Cir. 1971) (patent held invalid for obviousness), *cert. denied*, 405 U.S. 989 (1972); *Triax Co. v. Hartman Metal Fabricators, Inc.*, 479 F.2d 951 (2d Cir.) (patent on automated warehousing system held not infringed), *cert. denied*, 414 U.S. 1113 (1973); *Centsable Prods., Inc. v. Lemelson*, 591 F.2d 400 (7th Cir.) (patent on target game held invalid for obviousness on summary judgment), *cert. denied*, 444 U.S. 840 (1979); *Lemelson v. Carolina Enters., Inc.*, 541 F. Supp. 645 (S.D.N.Y. 1982) (patent infringement claim barred by laches on summary judgment); *Lemelson v. Fisher Price Corp.*, 545 F. Supp. 973 (S.D.N.Y. 1982) (patent infringement claim barred by failure to mark on summary judgment); *Lemelson v. United States*, 3 Cl. Ct. 161 (Cl. Ct.1983) (three patents for automatic measuring devices held not infringed), *aff'd in part, vacated in part*, 752 F.2d 1538 (Fed. Cir. 1985) (two patents held not infringed; non-infringement of third patent vacated and remanded), *on remand*,

This patent dispute concerns Mattel's "Hot Wheels" line of toys, one of the most commercially successful toys in history, which Mattel began selling in 1968. The toys feature small metal cars and various accessories, including a flexible plastic track on which the cars run.

1. *Factual Background* - Mattel began developing Hot Wheels in 1967. Mattel's patent search for prior patents that might relate to the new product, including the flexible plastic track, disclosed twenty-six prior art patents, including U.S. Patent No. 2,862,333 to Gardiol.[3] The Gardiol patent disclosed a "deformable toy track" made from a flexible plastic material substantially identical to the Hot Wheels track. Mattel's counsel therefore concluded that the principal features of the Hot Wheels track had been anticipated by the prior art and Mattel could not obtain patent protection for the track. Pet. App. 5a. Mattel introduced Hot Wheels at a toy fair in 1968. The toys were a huge success and became one of the most popular and commercially successful toys in the United States. Pet. App. 6a.

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8 Cl. Ct. 789 (Cl. Ct. 1985) (complaint voluntarily dismissed); *Lemelson v. Bendix Corp.*, 621 F. Supp. 1122 (D. Del. 1985) (antitrust claim dismissed on summary judgment); *Lemelson v. Synergistics Research Corp.*, 669 F. Supp. 642 (S.D.N.Y. 1987) (two velcro dart game patents held invalid for obviousness on summary judgment); *Intertech Licensing Corp. v. Brown & Sharpe Mfg. Co.*, 708 F. Supp. 1423 (D. Del. 1989) (patent infringement suit barred by laches). Out of nine cases that have gone through full trials, Lemelson has prevailed only once. Edmund L. Andrews, *Rich in the 90's on Ideas Hatched in the 50's*, N.Y. TIMES, Nov. 13, 1992, at 1.

[3] Lemelson's patent did not issue until 1969, and therefore was not disclosed in the search.

Independent from and unknown to Mattel, petitioner Lemelson filed a patent application for a "Toy Track" on May 14, 1967. His application disclosed a hodgepodge of ideas generally related to toy tracks and vehicles. Lemelson's Fig. 9 (reproduced below) illustrates a type of magnetic track on which a powered vehicle can run on both sides. The track 20' includes "side guide portions" 24 that extend the length of the track and serve to define "longitudinal guide means" for a vehicle riding on either surface of the track. Ct. App. JA 781, 783.

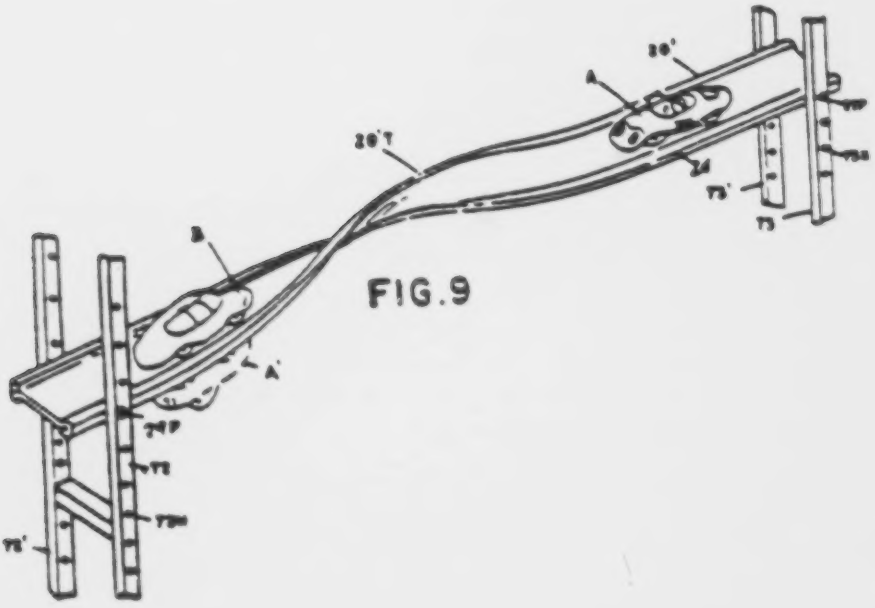


FIG. 9

In the original independent claim of Lemelson's patent application, the "side guide portions" 24 of the track 20' shown in Fig. 9 are recited as "guide means" that provide "plural parallel extending surfaces" against which the wheels may ride. This claim, reproduced below, consisted of what would later be-

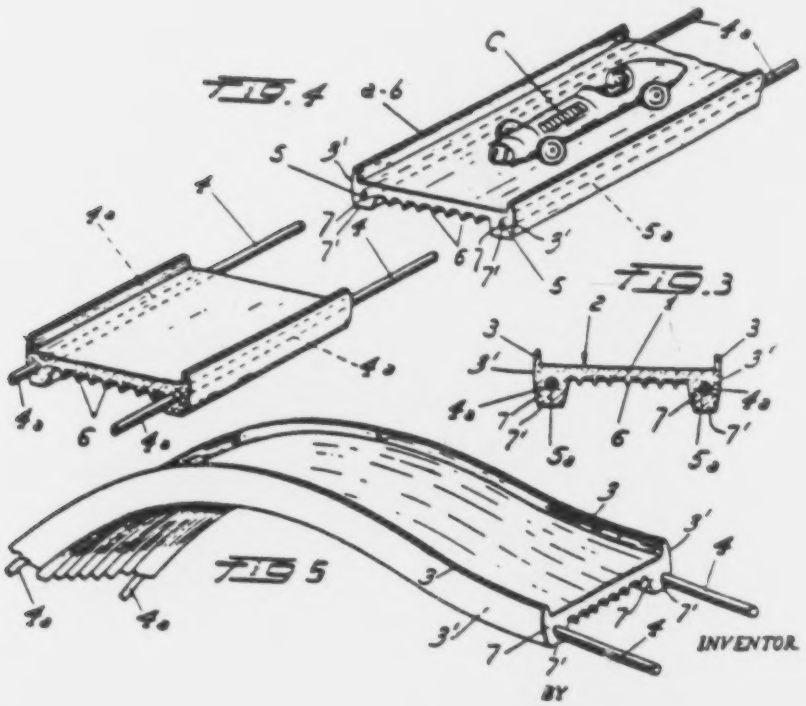
come the first five clauses of claim 3 of Lemelson's patent:

> 1. A trackway toy comprising in combination with a toy vehicle having plural wheels,
>
> (a) a trackway including a base having an upper surface along which said vehicle may travel,
>
> (b) *guide means for defining a path of travel for said vehicle on said upper surface,*
>
> (c) *said guide means including at least one formation molded integral with said upper surface of said trackway and providing plural parallel extending surfaces against which respective wheels of said vehicle may ride to define said path of travel therealong,*
>
> (d) said base and guide means being integrally molded of flexible plastic material and having the characteristic such that said base is normally incapable of self-support whereby said trackway will easily conform to non-planar surfaces and
>
> (e) rigid support means for said trackway disposed adjacent said base and engaging a surface thereof in a manner to predetermine the shape of the base.

Pet. App. 2a-3a (emphasis added).

During prosecution of the patent application in the Patent and Trademark Office, the patent examiner

rejected claims 1-3[4] of Lemelson's patent application as being anticipated (fully taught) by the Gardiol patent. Pet. App. 3a. The Gardiol patent (reproduced below), entitled "Deformable Toy Track," shows a track that is similar in appearance to both the Hot Wheels track and the track in Lemelson's Fig. 9.



[4] Original claim 3 of Lemelson's patent application, which was dependent on original claim 1, added the limitation of "a pair of spaced apart runner portions" as follows:

> 3. The invention as defined in claim 1 where said guide means include *a pair of spaced apart runner portions* for defining the pathway of a vehicle moving over said trackway.

Ct. App. JA 2059 (emphasis added).

Like both Lemelson's track and the Hot Wheels track, the track in Gardiol is made of a plastic "material capable of undergoing a three-dimensional deformation." The Gardiol track also has an upper surface 2 and two longitudinal "ribs" 3 to keep the car on the track. Ct. App. JA 573-74.

Lemelson tried to distinguish the Gardiol patent on the basis that Gardiol requires two internal cores extending the length of the track to maintain a desired shape. The patent examiner disagreed and rejected claims 1 and 3 as being anticipated by Gardiol. The examiner indicated, however, that dependent claims 6-8, which recited the additional limitation of "upwardly extending rails," contained allowable subject matter. Ct. App. JA 2068-69. The examiner obviously must have interpreted these allowable claims as requiring some additional structure not present in the Gardiol patent.

In this regard, Lemelson's application disclosed a second completely different structure for guiding the wheels of a vehicle on the track. Fig. 9a (reproduced below) shows a modified track which has "one or more rail portions 20'R protruding upwardly from the base for guiding the wheel 28' of a toy vehicle riding thereon." "Partially embedded within the rail portion 20'R and the base portion 20' is an extruded metal strip 25R" having the upper end therof "protruding beyond the upper surface of the rail portion 20'R so as to permit the surface of the wheel" to ride thereon. This strip may conduct electricity to the vehicle through the wheels and may be bent to retain the shape of the track. Ct. App. JA 787-88.

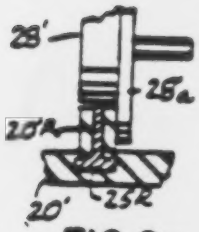


FIG.9a

Dependent claims 6-8 of the original application on their face correspond to these features and read as follows:

> 6. The invention as defined in Claim 3 wherein said spaced apart runner portions include *upwardly extending rails for guiding the wheels of a wheel* [sic, vehicle].
>
> 7. The invention as defined in Claim 6 and including *a metallic rail strip partially imbedded in said rail, the end of said rail strip projecting beyond the upper end of said rails to engage the surface of a wheel of a toy vehicle riding thereon.*
>
> 8. The invention as defined in Claim 7 *wherein said rail strip is formed of an electric conducting metal.*

Ct. App. JA 2059 (emphasis added).

Subsequent to an interview with the patent examiner, Lemelson's attorney amended his application by cancelling all of the rejected claims and rewriting the dependent claims, including original claim 6, in independent form. The patent issued as Patent No.

3,451,161 on June 24, 1969. Original claim 6 became claim 3 in the issued patent and reads as follows:

> 3. A trackway comprising in combination with a toy vehicle having plural wheels,
>
> [a] a trackway including a base having an upper surface along which said vehicle may travel,
>
> [b] guide means for defining a path of travel for said vehicle on said upper surface,
>
> [c] said guide means including at least one formation molded integrally with said upper surface of said trackway and providing plural parallel extending surfaces against which respective wheels of said vehicle may ride to define said path of travel therealong,
>
> [d] said base and guide means being integrally molded of flexible plastic material and having the characteristic such that said base is normally incapable of self-support whereby said trackway will easily conform to non-planar surfaces and
>
> [e] rigid support means for said trackway disposed adjacent said base and engaging a surface thereof in a manner to predetermine the shape of the base,
>
> [f] said guide means include a pair of spaced apart runner portions for defining the pathway of a vehicle moving over said track,
>
> [g] said spaced apart runner portions include upwardly extending rails for guiding the wheels of a vehicle.

A comparison of the cancelled claims and claim 3 above shows that the first six clauses [a]-[f] above are identical to original claims 1 and 3, which the examiner rejected as anticipated by the Gardiol patent. It was only the addition of clause [g], from original claim 6, and the limitation of "upwardly extending rails for guiding the wheels of a vehicle," that overcame the rejection and rendered the claim patentable. Pet. App. 5a.

On August 31, 1979, Lemelson voluntarily filed for reissue of his original patent. After a protracted proceeding in the Patent and Trademark Office, followed by an action under 35 U.S.C. § 145 in the district court, *see Lemelson v. Mossinghoff*, 225 U.S.P.Q. 1063 (D.D.C. 1985), Lemelson's patent reissued as Re. 32,106 on April 8, 1986, two months before it expired. All of the patent claims, except claim 3 above and another unrelated claim, were cancelled during the reissue. At no time did the Patent and Trademark Office ever conclude that the first six clauses of Lemelson's patent claim 3 alone patentably distinguished Lemelson's invention from the prior art.

2. *District Court* - Lemelson sued Mattel for patent infringement in the Northern District of Illinois in December 1977, nearly nine years after Mattel began selling its Hot Wheels toys.[5] After a lengthy delay

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[5] Mattel argued below that this delay gave rise to a presumption of laches that was not rebutted by any valid excuse. The Federal Circuit did not reach this issue because it held that the patent had not been infringed at all. Pet. App. 9a. The district court awarded Lemelson a total judgment of $71,256,690—damages of $24,780,000 and prejudgment interest of $46,476,690. In the Federal circuit, Mattel challenged that award of interest as being improper not only because of Le-

while Lemelson pursued reissue of his patent, the case went to trial in October 1989.

At the close of Lemelson's case, Mattel filed a motion for directed verdict that, based on the prosecution history of the original patent, the Hot Wheels track could not infringe claim 3 as a matter of law. Mattel showed that clause [g] of claim 3 could not be interpreted to cover the side walls of Mattel's track, as asserted by Lemelson, consistent with the prosecution history. Since the patent examiner found that clauses [a]-[f] were fully met by Gardiol, and Lemelson accepted this position, then clause [g], which recites the "upwardly extending rails for guiding the wheels of a vehicle," must define something different than Gardiol. Since the side walls of the Hot Wheels track and the Gardiol track are structurally the same, clause [g] of Lemelson's claim 3 could not possibly cover the Hot Wheels track. Mattel renewed its directed verdict motion at the close of all the evidence.

The jury returned a verdict finding that Mattel's Hot Wheels track literally infringed claim 3 of Lemelson's patent. The district court post-verdict denied Mattel's directed verdict motions and motion for judgment notwithstanding the verdict. The court—contrary to well-established Federal Circuit law—refused to consider the patent's prosecution history on the

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melson's long delay in commencing and prosecuting the suit, but also in that it failed to take into account the taxes that Lemelson would have been required to pay had he received his "royalties" over the years on a contemporaneous basis. Once again, given its reversal of the district court on the fundamental issue of infringement, the Federal Circuit did not reach any of these questions. Pet. App. 9a.

ground that the jury had found literal infringement. Pet. App. 18a.

3. *Federal Circuit* - The Federal Circuit, in a unanimous decision by a panel of Judges Rich, Newman, and Plager, reversed the judgment below on the issue of infringement.

The Federal Circuit pointed out that the first step in determining infringement is to determine the meaning and scope of the claims. Pet. App. 9a. The court then applied well-established principles of claim interpretation to determine the meaning and scope of Lemelson's patent claim 3, including consideration of the patent's prosecution history as follows:

> In determining the meaning of a claim, it is necessary to examine closely the language of the claim, the specification, and the prosecution history. *See, e.g., Fromson v. Advance Offset Plate, Inc.*, 720 F.2d 1565, 1569-71, 219 USPQ 1137, 1140-42 (Fed. Cir. 1983). This is particularly true if, as is often the case, a dispute exists as to how language of the claim should be interpreted and the claim as a whole construed. The prosecution history gives insight into what the applicant originally claimed as the invention, and often what the applicant gave up in order to meet the Examiner's objections. Prosecution history is especially important when the invention involves a crowded art field, or when there is particular prior art that the applicant is trying to distinguish.

Pet. App. 10a.

The Federal Circuit concluded that the jury—which, in line with established precedent, had been directed to consider the prosecution history of the patent—must have interpreted clauses [f] and [g] of Lemelson's patent claim 3 to include additional structure not found in the first five clauses of the claim or in Gardiol. Pet. App. 13a-14a.[6] In doing so, the court was merely interpreting the meaning of the limitation in clause [g] of "upwardly extending rails for guiding the wheels of a vehicle." Like the rest of claim 3, the meaning of clause [g] was not clear from the words themselves. Mattel had shown that clause [g] should be interpreted to cover only the "railroad track" type rail of Fig. 9a of Lemelson's patent. The court was in no way reading an additional limitation into claim 3, contrary to its "plain meaning," as opposed to merely interpreting the words of the claim.

The Federal Circuit did not find it necessary to interpret clause [g] any further, however, because there was no evidence of an element in the Hot Wheels track corresponding to clause [g] or distinguishing Hot Wheels from Gardiol in any respect that corresponded to that limitation. Pet. App. 14a. Thus, the Federal Circuit correctly determined that there was no substantial evidence to support the finding of infringement and that no jury could have reasonably so found. Pet. App. 11a, 14a. This holding is plainly correct, and, in any event, wholly comports with the traditional role of an appellate court in reviewing a challenge to a jury verdict.

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[6] In truth, clause [f] did not distinguish Gardiol either. The examiner also rejected dependent claim 3 of the original patent application, which corresponds to clause [f] in the issued patent claim, as anticipated by the Gardiol patent.

The Federal Circuit specifically rejected Lemelson's argument that clause [g] did not distinguish the prior art Gardiol patent as well as Lemelson's subsequent explanation that "[p]atent examiners . . . occasionally make mistakes." Pet. App. 12a. The court reasoned that Lemelson could not agree to cancel claims in the face of a rejection, to accept more limited claim language distinguishing the prior art, and then disavow the limitation in litigation. Pet. App. 12a-13a. Thus, the undisputed facts of the prosecution history and the prior art prevented Lemelson from arguing that the limiting language added to obtain his patent was meaningless.

REASONS FOR DENYING THE WRIT

Lemelson's entire petition is based on the mistaken notion that the words of patent claim 3, and clause [g] in particular, are clear and unambiguous on their face and can be literally read on Mattel's Hot Wheels track. To the contrary, the language of claim 3 is so confusing that it cannot be properly interpreted without reference to the patent's prosecution history. When viewed in light of that prosecution history, it becomes perfectly clear that the limitation of "upwardly extending rails for guiding the wheels of a vehicle" cannot simply refer to the side walls of the track, but must refer to some other structure not found in the Gardiol patent, such as the "railroad track" type rail shown in Lemelson's Fig. 9a.

It is entirely consistent with precedent to interpret a patent claim in light of the prosecution history. Indeed, this Court has instructed that claims are to be interpreted with reference to the rejected claims and to the state of the prior art. Moreover, the court

of appeals did not confuse the use of prosecution history to interpret claims with the related concept of prosecution history estoppel. Nor did it fail to give deference to the jury verdict since claim interpretation is a question of law, even when it is necessary to consider the patent's prosecution history, as long as no evidentiary conflict exists and the facts are undisputed.

Finally, Lemelson's attack on the Federal Circuit's general treatment of jury verdicts in patent cases does not justify review in this particular case. Such criticism is a familiar tactic of losing litigants in the Federal Circuit who have no real grounds for seeking review. Even if the criticism were true, this case is not an appropriate one for this Court to exercise its supervisory review. Even the Federal Circuit Judge whose views on review of jury verdicts are cited by Lemelson agreed that a jury could not reasonably interpret Lemelson's claim 3 to cover Mattel's Hot Wheels track and *joined* in the unanimous opinion below.

I. THE LANGUAGE OF LEMELSON'S PATENT CLAIM 3 IS NOT CLEAR AND UNAMBIGUOUS ON ITS FACE

Lemelson's entire argument is based on the incorrect assumption that claim 3 of Lemelson's patent is clear and unambiguous. Under Lemelson's interpretation of patent claim 3, clause [g] is meaningless or at best redundant. According to Lemelson, the "guide means" includes "runner portions," which would be the side walls, and the "runner portions" in turn include "upwardly extending rails," which are the side walls again. As noted by the district court, these terms are used "sometimes indiscriminately, some-

times synonymously and sometimes not synonymously." Pet. App. 23a.

In light of the patent specification, however, the term "upwardly extending rails for guiding the wheels of a vehicle" in clause [g] logically refers to "railroad track" type rails on which the wheels ride, not the track side walls as Lemelson now argues. On its face, the language of clause [g] follows the description of the railroad track type rail shown in Fig. 9a of Lemelson's patent specification:

Clause [g]	Specification
said spaced apart runner portions include upwardly extending rails for guiding the wheels of a vehicle	one or more rail portions 20'R protruding upwardly from the base for guiding the wheel 28' of a toy vehicle riding thereon

This interpretation of clause [g] is buttressed by claim 4 of the patent:

> 4. The invention as defined in claim 3 and including a metallic strip partially embedded in said rail, the end of said rail strip projecting beyond the upper end of said rails to engage the surface of a wheel of a toy vehicle riding thereon.

The "thereon" at the end of claim 4 refers back to "said rails," which in turn refer back to the rails in patent claim 3. In other words, the rails in claim 3, with or without the metallic strip in claim 4, are rails *upon which the vehicle rides*, not the track side walls urged by Lemelson.

Because the meaning of the term "upwardly extending rails for guiding the wheels of a vehicle" in

clause [g] is not clear from the words of the claim itself, the Federal Circuit was not violating precedent when it interpreted these words in light of the patent's prosecution history. As shown above, clause [g] should reasonably be interpreted to cover the "railroad track" type rail of Lemelson's Fig. 9a, a structure not found in the Gardiol patent. The court was therefore not reading new and unstated limitations into the claim.[7]

Only through a review of the prosecution history could one interpret what is actually meant by the words used in clause [g], or in this case, at least what is *not* meant by those words. Indeed, it is only by reference to such matter that the claim is even intelligible. Consequently, this is not a case of ambiguous prosecution history "trumping" unambiguous claim language, as argued by Lemelson. *See* Pet. 13. It is precisely the opposite.[8] By failing to acknowledge the ambiguity in patent claim 3, Lemelson presents this Court with a distorted view of the case and the

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[7] This case is nothing like *Intervet Am., Inc. v. Kee-Vet Labs., Inc.*, 887 F.2d 1050 (1989), in which the applicant's attorney erroneously described the claim at issue as containing a specific limitation, but failed to amend the claim to include the limitation. Consequently, there was nothing in the claim for the court to interpret, making it error to read the omitted limitation into the claim. *Id.* at 1053-54.

[8] Lemelson's analogy to the law of contracts and statutory construction is also inapposite. Because of the ambiguity in Lemelson's patent claim 3, the present case is nothing like the situation in which parol evidence or legislative history is used improperly to alter the "clear meaning" of the controlling document. See Pet. 13. Instead, the proper analogy is to using legislative history to construe an *ambiguous* statute, which Lemelson readily acknowledges is permissible. Pet. 17.

actual question presented. Should the Court mistakenly grant the petition based on the issue presented in Lemelson's petition, it would later discover that the case is nothing like that described.

II. THE FEDERAL CIRCUIT'S INTERPRETATION OF LEMELSON'S PATENT CLAIM IN LIGHT OF THE PROSECUTION HISTORY IS ENTIRELY CONSISTENT WITH PRECEDENT

Lemelson readily concedes that the prosecution history of a patent may be used to interpret disputed terms in a claim. *See* Pet. 9, 10, 16. Indeed, this proposition is so elementary that it could not be disputed. The Federal Circuit has consistently held that prosecution history must be considered in order to interpret claims.[9] Specifically, "the prosecution history (or file wrapper) limits the interpretation of claims so as to exclude any interpretation that may have been disclaimed or disavowed during prosecution in order to obtain claim allowance." *Jonsson v. Stanley Works*, 903 F.2d 812, 817 (Fed. Cir. 1990) (quoting *Standard Oil Co. v. American Cyanamid Co.*, 774 F.2d 448, 452 (Fed. Cir. 1985)).

As discussed above, the Federal Circuit concluded from the undisputed facts of the patent's prosecution

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[9] *See, e.g., Read Corp. v. Portec, Inc.*, 970 F.2d 816, 823 (Fed. Cir. 1992); *E.I. Du Pont de Nemours & Co. v. Phillips Petroleum Co.*, 849 F.2d 1430, 1438 (Fed. Cir.), *cert. denied*, 488 U.S. 986 (1988); *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1270 (Fed. Cir. 1986), *cert. denied*, 479 U.S. 1030 (1987); *Lemelson v. United States*, 752 F.2d 1538, 1550 (Fed. Cir. 1985); *Loctite Corp. v. Ultraseal Ltd.*, 781 F.2d 861, 867, 870 (Fed. Cir. 1985); *McGill Inc. v. John Zink Co.*, 736 F.2d 666, 673 (Fed. Cir.), *cert. denied*, 469 U.S. 1037 (1984); *Fromson v. Advance Offset Plate, Inc.*, 720 F.2d 1565, 1579-71 (Fed. Cir. 1983).

history that a reasonable jury could not interpret Lemelson's patent claim 3 to cover the Hot Wheels track. Lemelson's cancellation of original claims 1 and 3 in the face of the patent examiner's rejection of the claims over the Gardiol patent conclusively established that the term "upwardly extending rails for guiding the wheels of a vehicle" in clause [g] must be interpreted to distinguish the Gardiol patent. Therefore, clause [g] could not refer to the side walls of the Hot Wheels track, which were structurally identical to the side walls of the Gardiol track, as argued by Lemelson.

The Federal Circuit's use of the prosecution history and the prior art in this way is consistent with not only its own precedent but this Court's as well. In *Graham v. John Deere Co.*, 383 U.S. 1 (1966), perhaps the best known of this Court's patent decisions, the Court stated:

> It is, of course, well settled that an invention is construed not only in the light of the claims, but also with reference to the file wrapper or prosecution history in the Patent Office. . . . *Claims as allowed must be read and interpreted with reference to the rejected ones and to the state of the prior art*; and claims that have been narrowed in order to obtain the issuance of a patent by distinguishing the prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent.

Id. at 33 (citation omitted; emphasis added). That is precisely what the Federal Circuit did here in concluding that a reasonable jury could not interpret Lemelson's claim 3 to cover the Hot Wheels track.

The Federal Circuit also correctly rejected Lemelson's argument that "[p]atent examiners . . . make mistakes" as justification for Lemelson's litigation-induced reinterpretation of his claim. Pet. App. 12a. By cancelling original claims 1 and 3 of his patent application, Lemelson acquiesced in the examiner's rejection and was foreclosed from contending that the claims were actually distinguishable over Gardiol. As this Court has previously stated, whether the examiner may have made a mistake is legally irrelevant:

> The difference which he thus disclaimed must be regarded as material, and since the amendment operates as a disclaimer of that difference it must be strictly construed against him. . . . As the question is one of construction of the claim, it is immaterial whether the examiner was right or wrong in rejecting the claim as filed.

Exhibit Supply Co. v. Ace Patents Corp., 315 U.S. 126, 137 (1942) (citations omitted); *see also I.T.S. Rubber Co. v. Essex Rubber Co.*, 272 U.S. 429, 443 (1926) (court is not to inquire whether examiner was right or wrong in rejecting original claim).

Lemelson also confuses the use of prosecution history to *interpret* claims with the related concept of *prosecution history estoppel*, a mistake which the Federal Circuit did not make. As the court of appeals recognized, interpreting patent claims in view of the prosecution history applies as a preliminary step in determining literal infringement. Pet. App. 9a-10a; *accord Loctite Corp. v. Ultraseal Ltd.*, 781 F.2d 861, 870 (Fed. Cir. 1985). Although the same statements or facts may be considered, this preliminary step of

claim interpretation is different from prosecution history estoppel, which is applied as a limitation on the doctrine of equivalents *after* the claims have been properly interpreted. *E.I. Du Pont de Nemours & Co. v. Phillips Petroleum Co.*, 849 F.2d 1430, 1438 (Fed. Cir.), *cert. denied*, 488 U.S. 986 (1988); *Loctite*, 781 F.2d at 870.

In this regard, Lemelson seems to contend that the Federal Circuit could not consider the fact that Lemelson "acquiesced" in the examiner's rejection by cancelling original claims 1 and 3 in construing the words of claim 3 in the issued patent. In particular, Lemelson accuses the court of appeals of failing to cite any authority for this approach and of improperly applying the concept of estoppel to a determination of literal infringement. Pet. 14. This approach, however, flows directly from the decisions of this Court. In *I.T.S. Rubber Co.*, where "the applicant acquiesced in the successive rejections by the examiner" on a prior art reference, the Court held that the patent owner could not recover for either literal infringement (through claim construction) or infringement under the doctrine of equivalents:

> [W]here an applicant whose claim is rejected on reference to a prior patent, without objection or appeal, voluntarily restricts himself by an amendment of his claim to a specific structure, having thus narrowed his claim in order to obtain a patent, he "may not *by construction* or by resort to the doctrine of equivalents, give to the claim the larger scope which it might have had without the amendments which amount to a disclaimer."

272 U.S. at 439, 444 (quoting *Weber Elec. Co. v. Freeman Elec. Co.*, 256 U.S. 668, 677 (1921); emphasis added).

Accordingly, the Federal Circuit did not improperly apply principles of prosecution history estoppel to its determination that Hot Wheels did not literally infringe Lemelson's patent claim 3. Consistent with *Graham* and its own precedent, the Federal Circuit interpreted claim 3 of Lemelson's patent, and in particular, the words of clause [g], "with reference to the rejected [claims] and to the state of the prior art." 383 U.S. at 33. Since claim 3 had been narrowed by the addition of the term "upwardly extending rails for guiding the wheels of a vehicle" in order to obtain the issuance of the patent by distinguishing the prior art Gardiol patent, the claim could not be sustained to cover the structure of the Hot Wheels track, which had side walls identical to Gardiol.

Finally, the Federal Circuit did not fail to give proper deference to the jury verdict in interpreting Lemelson's patent claim. See Pet. 17-18. As the court of appeals recognized, claim interpretation is a question of law, although there may be underlying factual issues for the jury. Pet. App. 9a-10a; *accord Tol-O-Matic, Inc. v. Proma Produkt-Und Marketing Gesellschaft m.b.H.*, 945 F.2d 1546, 1549-50 (Fed. Cir. 1991); *Moeller v. Ionetics, Inc.*, 794 F.2d 653, 657 (Fed. Cir. 1986). Contrary to Lemelson's argument (Pet. 17), however, merely considering prosecution history to interpret a disputed patent claim does not create a factual issue for the jury. *See Johnston v. IVAC Corp.*, 885 F.2d 1574, 1579-80 (Fed. Cir. 1989); *Howes v. Medical Components, Inc.*, 814 F.2d 638, 643 (Fed.

Cir. 1987).[10] Where the facts of the prosecution history are undisputable, as they were here, claim interpretation in light of that prosecution history remains a question of law. *Senmed, Inc. v. Richard-Allan Medical Indus., Inc.*, 888 F.2d 815, 818 (Fed. Cir. 1989).

III. THE FEDERAL CIRCUIT'S GENERAL TREATMENT OF JURY VERDICTS IN PATENT CASES DOES NOT MAKE THIS PARTICULAR CASE APPROPRIATE FOR REVIEW

Lemelson's final point--that *in other cases* the Federal Circuit has created uncertainty in the law by not following precedent (*see* Pet. 21-23)--is no reason for the Court to take *this* case. The Court should easily recognize this tactic of losing litigants in the Federal Circuit who have no real grounds for requesting review in this Court. The creation of the Federal Circuit removed a primary ground for seeking review in this Court, namely conflicting precedents between circuits in the area of substantive patent law. As a result, losing litigants in the Federal Circuit have unsuccessfully sought certiorari on the basis of asserted

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[10] Lemelson's reliance on *Perini America, Inc. v. Paper Converting Machine Co.*, 832 F.2d 581 (Fed. Cir. 1987), and *Palumbo v. Don-Joy Co.*, 762 F.2d 969 (Fed. Cir. 1985), for the proposition that claim interpretation in light of the prosecution history creates a fact issue for the jury (Pet. 17), is misplaced. Lemelson fails to recognize that in *Johnston*, 885 F.2d 1574, the Federal Circuit pointed out that these broad statements in *Perini* and *Palumbo* were inconsistent with prior precedents and therefore not controlling. *Id.* at 1579. Rather, a disputed fact *may* arise in connection with claim interpretation only if there is a genuine *evidentiary conflict* created by the underlying evidence. Mere dispute over meaning of a term does not create a fact issue, even where the meaning cannot be determined without resort to the prosecution history. *Id.* at 1579-80.

deficiencies in the general jurisprudence of the Federal Circuit.

Where there have been true conflicts in prior decisions, however, or the law needed clarification, the Federal Circuit has not hesitated to take cases in banc.[11] Moreover, the dissenting opinions cited by Lemelson (Pet. 21-23) do not compel a conclusion that the law on review of jury verdicts in patent cases is either uncertain or in disarray. These dissents represent only a small portion of the patent cases decided by the Federal Circuit. In fact, since the Federal Circuit was created in 1982, dissenting opinions have been filed in approximately 10% of the court's published opinions in patent cases. (By comparison, over 60% of this Court's decisions in the same period had dissents.) The mere existence of dissenting opinions, even in one out of ten patent cases, hardly supports Lemelson's argument that the situation has become so intolerable that this Court must intervene.

Even assuming arguendo that the Federal Circuit desperately needs supervision by this Court, the present case is not the appropriate one for exercising supervisory review. The Court will note that in every

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[11] *See, e.g., SRI Int'l v. Matsushita Elec. Corp. of Am.*, 775 F.2d 1107 (Fed. Cir. 1985) (in banc) (reverse doctrine of equivalents); *Pennwalt Corp. v. Durand-Wayland, Inc.*, 833 F.2d931 (Fed. Cir. 1987) (in banc) (literal infringement and doctrine of equivalents), *cert. denied*, 485 U.S. 961, 1009 (1988); *Kingsdown Medical Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867 (Fed. Cir. 1988) (in banc) (inequitable conduct), *cert. denied*, 490 U.S. 1067 (1989); *In re Dillon*, 919 F.2d 688 (Fed. Cir. 1990) (in banc) (obviousness), *cert. denied*, 111 S. Ct. 1682 (1991); *A.C. Aukerman Co. v. R.L. Chaides Construction Co.*, 960 F.2d 1020 (Fed. Cir. 1992) (in banc) (laches and estoppel).

Federal Circuit decision cited by Lemelson as supposedly showing the confused state of the law on this issue (Pet. 21-23), Circuit Judge Newman dissented. Yet in the present case, Judge Newman *joined* the unanimous opinion. All three panel members, including Judge Newman, the most vocal Federal Circuit Judge on the issue of deference to jury verdicts in patent cases, agreed that reversal was required in *this* case because Lemelson's claim could not reasonably be interpreted to cover Mattel's product.

Further, the panel denied Lemelson's request for rehearing[12] and the full court denied his request for rehearing in banc on the very same grounds now urged in Lemelson's petition. This completely undercuts Lemelson's argument that this particular case diverges from prior precedent or has created uncertainty in interpreting patent claims. The law is only uncertain if one accepts Lemelson's distorted view of the decision below. The unanimous panel decision, in which Judge Newman joined, clearly shows that this is not the appropriate case for corrective action by this Court.

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[12] As noted, the panel included Judge Rich, the author of *Intervet Am., Inc. v. Kee-Vet Labs., Inc.*, 887 F.2d 1050 (1989), which Lemelson argues is in conflict with the present decision.

CONCLUSION

For the foregoing reasons, the petition for certiorari should be denied.

Respectfully submitted,

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